

ORDINANCE NO. 2016-07

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AZUSA AMENDING AND RESTATING ARTICLE XVII REGARDING THE REGISTRATION AND MAINTENANCE OF VACANT AND ABANDONED COMMERCIAL, INDUSTRIAL AND OTHER RESIDENTIAL PROPERTIES

WHEREAS, pursuant to article XI, section 7, of the California Constitution, the City of Azusa (“City”) may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws; and

WHEREAS, the City has determined that the presence of vacant, abandoned properties (and structures thereon) has detrimental effects upon the health, safety, and welfare of the City’s residents, businesses, visitors, and the general public, including, but not limited to, creating an attractive public nuisance; contributing to lower property values; creation of hazards resulting from mosquito, vermin, and vector; contributing to increased criminal activities; discouraging potential buyers from purchasing property or conducting business activities adjacent to or within the vicinity of vacant, abandoned real property; and,

WHEREAS, many vacant, abandoned properties (and structures thereon) are the responsibility of out-of-area or out-of-state owners, lenders and trustees, who, in many instances, fail to adequately maintain and secure these vacant properties;

WHEREAS, the Legislature of the State of California, in adopting section 2929.3 of the California Civil Code (requiring owners of vacant residential property acquired at a foreclosure sale or by foreclosure under a mortgage or deed of trust to adequately maintain the property and to abate any violations thereat) specifically provides that said section does not preempt any local ordinance; and

WHEREAS, the City Council of the City of Azusa has an obligation to take actions that preserve the health, safety, and welfare of its residents, businesses, and the general public;

WHEREAS, the City Council of the City of Azusa has determined that revisions to its existing vacant and abandoned property ordinance are necessary:

1. To prevent residential neighborhoods and commercial and industrial areas from becoming blighted;
2. To ensure adequate maintenance and/or security of commercial, industrial and residential properties;
3. To protect citizens from health and safety hazards; and
4. To promote the economic stability of the City by maintaining property values.

WHEREAS, NOW, THEREFORE, the City Council of the City of Azusa does ordain as follows:

SECTION 1. In order to protect the public the public peace, health and safety, the City Council of the City of Azusa finds as follows:

- A. The Recitals stated above are true and correct and are incorporated herein by reference.
- B. Based upon the Recitals, the City Council finds it necessary to amend and restate portions of the Azusa Municipal Code (“AMC”) to adopt measures to .
- E. All legal prerequisites to the adoption of this Ordinance have occurred.

SECTION 2. Article XVII of Chapter 62 of the Azusa Municipal Code is hereby amended and restated to read as follows:

“ARTICLE XVII. – REGISTRATION AND MAINTENANCE OF VACANT AND ABANDONED COMMERCIAL, INDUSTRIAL AND RESIDENTIAL PROPERTIES

Sec. 14-556 – Purpose.

Vacant buildings are a major cause and source of blight in both residential and nonresidential neighborhoods, especially when the owner of the building fails to actively maintain and manage the building to ensure that it does not become a liability to the neighborhood. Vacant buildings (whether or not those buildings are boarded), substandard, or unkempt buildings, and long-term vacancies discourage economic development and retard appreciation of property values. Vacant buildings are potential fire hazards and can jeopardize the ability of owners of neighboring property from securing or maintaining affordable fire insurance. It is the responsibility of property ownership to prevent owned property from becoming a burden to the neighborhood and community and a threat to the public health, safety, or welfare. One vacant building which is not actively and well maintained and managed can be the core and cause of spreading blight. It is the purpose and intent of the city council, through the adoption of this article, to define the responsibilities of owners of, and to establish registration and monitoring programs for, vacant commercial, industrial and residential buildings and properties.

Sec. 14-557 – Definitions.

In construing the provisions of this article, the following definitions shall apply:

“Agreement” means any written instrument that transfers or conveys title to real property from one owner to another after a sale, trade, transfer or exchange.

“Beneficiary” means a lender participating in a real property transaction that holds a secured interest in the real property in question identified in a deed of trust.

“Boarded building” means a vacant building or portion of a vacant building whose doors and windows have been covered with plywood or other material for the purpose of preventing

entry into the vacant building by persons or animals.

“Building” means any structure, including, but not limited to, any residential, commercial, industrial, or assembly structure, approved for occupancy on either a lot of record or within a single project approved by the city pursuant to the city’s Development Code or applicable specific plan.

“Buyer” means any person, partnership, association, corporation, fiduciary or other legal entity that agrees to transfer anything of value in consideration for real property via an “Agreement.”

“Chief building official” means manager of the city building division for the city or the designee of the chief building official.

“Days” means calendar days.

“Deed in lieu of foreclosure” means a recorded instrument that transfers ownership of real property between parties to a particular deed of trust as follows: from the trustor, i.e., borrower, to the trustee upon consent of the beneficiary, i.e., lender.

“Deed of trust” means an instrument whereby an owner of real property, as trustor, transfers a secured interest in the real property in question to a third party trustee, said instrument relating to a loan issued in the context of a real property transaction. This definition applies to any and all subordinate deeds of trust, i.e., second trust deed, third trust deed, etc.

“Default” means the material breach of a legal or contractual duty arising from or relating to a deed of trust, such as a trustor’s failure to make a payment when due.

“Distressed” means any building, structure or real property that is subject to a current notice of default and/or notice of trustee’s sale, pending tax assessors lien sale, and/or any real property conveyed via a foreclosure sale resulting in the acquisition of title by an interested beneficiary of a deed of trust, and/or any real property conveyed via a deed in lieu of foreclosure or sale, regardless of vacancy or occupancy by a person with no legal right of occupancy.

“Evidence of vacancy” means any real property condition that independently, or in the context of the totality of circumstances relevant to that real property, would lead a reasonable enforcement official to believe that a property is vacant or occupied by a person without a legal right of occupancy. Such real property conditions include, but are not limited to:

1. With respect to residential property: overgrown or dead vegetation; accumulation of newspapers, circulars, flyers or mail; past due utility notices or disconnected utilities; accumulation of trash, junk or debris; the absence of window coverings such as curtains, blinds or shutters; the absence of furnishings or personal items consistent with residential habitation; and/or statements by neighbors, passersby, delivery agents, government employees that the property is vacant; or
2. With respect to commercial/industrial: property: overgrown or dead vegetation in

landscape; accumulation of newspapers, circulars, flyers or mail; past due utility notices or disconnected utilities; accumulation of trash, junk or debris; the absence of window coverings such as curtains, blinds or shutters; the absence of furnishings or equipment items consistent with commercial/industrial use; abandoned and/or damaged signs and other advertising structures; graffiti; severely cracked, buckled or damaged asphalt or concrete parking areas; and/or statements by neighbors, passersby, delivery agents, government employees that the property is vacant.

“Foreclosure” means the process by which real property subject to a deed of trust is sold to satisfy the debt of a defaulting trustor (i.e., borrower).

“Hearing officer” means an individual or board as designated by the city administrator to conduct hearings, including appeals hearings, and make decisions as provided in this code.

“Local” means within forty (40) driving miles of the building, structure or real property in question.

“Notice of default” means a recorded instrument that reflects and provides notice that a default has taken place with respect to a deed of trust, and that a beneficiary intends to proceed with a trustee’s sale.

“Out of area” means in excess of forty (40) road or driving miles of the subject property.

“Owner” means any person, partnership, association, corporation, fiduciary or other legal entity having a legal or equitable title or any interest in real property.

“Owner of record” means the person holding recorded title to the real property in question at any point in time when official records are produced by the Los Angeles County recorder’s office.

“Property” means any unimproved or improved real property or portion thereof, situated in the city and includes the buildings or structures located on the property regardless of condition.

“Trustee” means any person, partnership, association, corporation, fiduciary or other legal entity holding a deed of trust securing an interest in real property.

“Trustor” means any owner/borrower identified in a deed of trust, who transfers an interest in real property to a trustee as security for payment of a debt by that owner/borrower.

“Vacant building” means a building where at least thirty-five (35) percent of the total floor area within the building is not occupied.

“Vacant shopping center/industrial complex” means a shopping center or industrial complex on a single property containing one or more buildings where fifty (50) percent of the gross leasable area is not occupied.

Sec. 14-558 – Property Owner Responsibilities.

(a) No person, firm, partnership, corporation or other entity shall allow a residential, commercial or industrial building designed for human use or occupancy to stand vacant for more than forty-five (45) days, unless the owner establishes by substantial evidence to the reasonable satisfaction of the chief building official that one of the following applies:

(1) The building is the subject of an active building permit for repair or rehabilitation and the owner is progressing diligently to complete the repair or rehabilitation;

(2) The building meets all applicable codes, is actively maintained in accordance with all city ordinances, and is ready for occupancy, and is actively being offered for sale, lease, or rent;

(3) The building does not contribute to and is not likely to contribute to blight because the owner is actively maintaining and monitoring the building so that it does not contribute to blight. Active maintenance and monitoring shall include:

(A) Maintenance of landscaping and plant materials in good condition,

(B) Maintenance of the exterior of the building, including, but not limited to, paint and finishes, in good condition,

(C) Regular removal of all exterior trash, debris and graffiti,

(D) Maintenance of the building in continuing compliance with all applicable codes and regulations,

(E) Prevention of criminal activity on the premises, including but not limited to, use and sale of controlled substances, prostitution and criminal street gang activity,

(F) Windows screened with opaque material that prevents interior space of the building from being visible from public rights of way or public property,

(G) Securing the property in a manner so as not to be accessible to unauthorized persons, including, but not limited to, the replacement of broken windows and the closing and locking of windows, doors (walk-through, sliding and garage), gates and any other opening that may allow access to the interior of the property.

(b) The owner of any boarded building, whether boarded by voluntary action of the owner or as a result of enforcement activity by the city, shall cause the boarded building to be rehabilitated for occupancy within ninety (90) days after the building is boarded and shall comply with the provisions of subsection (a) of this section.

(c) It is declared a public nuisance for any person, partnership, association, corporation, fiduciary, or other legal entity that owns, leases, occupies, controls or manages any building or property subject to this article to cause, permit, or maintain such building or property in violation of subsections (a) or (b) of this section.

(d) Upon the expiration of fifty-five (55) days after a premises becomes a vacant

building as defined herein, the owner of a vacant commercial or industrial building shall cause said building to be registered as a vacant building pursuant to the provisions of Section 14-560(b) through (i) of this article and shall pay the registration fee required per the requirements of Section 14-561 of this article. Further, the owner of said vacant building shall comply with the provisions of Sections 14-562, 14-563 and 14-654 of this article relating to local property management requirements and monitoring.

Sec. 14-559 – Bonding and Fencing Requirements for Vacant Commercial or Industrial Buildings.

(a) Whenever a vacant commercial or industrial building remains vacant for a period of ninety (90) days or more, in addition to the other requirements of this article, the owner, beneficiary or trustee, as the case may be, shall post with the city a bond or similar security in an amount equal to three (3) months estimated costs of blight prevention activities per the provisions of Section 14-558(a)(3) hereof, as estimated by the chief building official.

(b) Whenever a vacant commercial or industrial building or land remains vacant for a period of ninety (90) days or more, in addition to the other requirements of this article, the owner, beneficiary or trustee, as the case may be, shall cause to be installed a minimum six foot (6') high chainlink fence adjacent to the property boundaries, or other alternative fencing acceptable to the director of community and economic development that is adequate to protect the public safety and welfare, unless the director determines that the installation of such fencing will be detrimental to the public safety and welfare. Any fencing required under this section may additionally require screening if the director finds it necessary in order to protect the safety, streetscape and overall appearance of the site. The director may promulgate additional fencing standards for vacant properties consistent with this section.

Sec. 14-560 – Registration Requirements for Vacant Property.

(a) Each beneficiary and trustee, who holds a deed of trust on a property located within the City, shall perform an inspection of the property in question prior to recording a notice of default or similar instrument with the Los Angeles County clerk-recorder's office. If the property is found to be vacant or shows evidence of vacancy, as defined by the article, it is hereby deemed to be vacant.

(b) Within ten (10) days of identification of any vacant property, the beneficiary and trustee must register the property with the chief building official on specified forms.

(c) If the property is occupied but distressed, the trustee and beneficiary or a designee shall also inspect the property on a monthly basis until:

(1) The trustor or another party remedies the default; or

(2) The property is found to be vacant, or shows evidence of vacancy, and is rendered subject to subsection (b).

(d) The registration pursuant to subsection (b) shall contain the identity of the beneficiary and trustee, the direct mailing address of the beneficiary and trustee and, in the case of a corporate or out of area beneficiary or trustee, the local property management company, if any, responsible for the security, maintenance and marketing of the property in question.

(e) The registration pursuant to subsection (b) shall be renewed annually.

(f) An annual registration fee, adopted in conformance with Section 14-561, shall accompany the submission of each registration form. The fee and registration shall be valid for one (1) year from the date of registration. Registration fees will not be prorated.

(g) This section shall also apply to properties that have been the subject of a foreclosure sale wherein title has been transferred to the beneficiary of a deed of trust involved in the foreclosure, and to any properties transferred under a deed in lieu of foreclosure or sale.

(h) Properties subject to this article shall remain subject to the annual registration requirement, security and maintenance standards of this article as long as they remain vacant.

(i) Any person, partnership, association, corporation, fiduciary or other legal entity that has registered a property under this article must make a written report to the chief building official of any change of information contained in the registration within ten (10) days of the change.

(j) The duties/obligations specified in this section shall be joint and several among and between all trustees and beneficiaries and their respective agents.

Sec. 14-561 – Registration Fees.

The fee for registering and reregistering a vacant property shall be set, from time to time, by resolution of the city council. The amount of the fee charges shall not exceed the reasonable estimated cost of administering the provisions of this article.

Sec. 14-562 – Monitoring Program & Purpose.

(a) Vacant buildings are a major cause and source of blight in residential and nonresidential neighborhoods, especially when the owner of the building fails to maintain and manage the building to ensure that it does not become a liability to the neighborhood. Vacant buildings often attract transients and criminals, including drug users. Use of vacant buildings by transients and criminals, who may employ primitive cooking or heating methods, creates a risk of fire for the vacant buildings and adjacent properties. Vacant properties are often used as dumping grounds for junk and debris and are often overgrown with weeds and grass. Vacant buildings which are boarded up to prevent entry by transients and other long-term vacancies discourage economic development and retard appreciation of property values.

(b) Because of the potential economic and public health, welfare and safety problems caused by vacant buildings, the city needs to monitor vacant buildings, so that they do not become attractive nuisances, are not used by trespassers, are properly maintained both inside

and out, and do not become a blighting influence in the neighborhood. City departments involved in such monitoring include the police department, community improvement division, community and economic development department, and the public works department. There is a substantial cost to the city for monitoring vacant buildings (whether or not those buildings are boarded up), which should be borne by the owners of the vacant buildings. The fees for a monitoring program pursuant to the provisions of this article shall be separate from and in addition to any registration fees or administrative penalties required or otherwise assessed pursuant to the provisions of this article.

Sec. 14-563 – Monitoring Program Procedures.

(a) Authority. The chief building official shall be responsible for administering a program for identifying and monitoring the maintenance of all vacant buildings in the city. The program shall be documented and regularly updated. The program shall be available for public review.

(b) Purposes. The purposes of the monitoring program shall be:

(1) To identify buildings that become vacant;

(2) To order vacant buildings that are open and accessible to be secured against unlawful entry pursuant to City codes, including the building code, or other applicable law;

(3) To initiate proceedings against the owner of any vacant building found to be substandard as defined in this article or a nuisance under any other provision of this code;

(4) To maintain surveillance over vacant buildings so that timely enforcement proceedings are commenced in the event a building becomes substandard or a nuisance; and

(5) To establish and enforce rules and regulations for the implementation and compliance with the provisions of Section 14-558.

(c) Fee Imposed. There is imposed upon every owner of a vacant building monitored pursuant to this article, an annual vacant building monitoring fee in an initial amount as the city council may establish by resolution, provided that the fee shall not exceed the estimated reasonable cost of monitoring the vacant building. The fee shall be payable as to any building, residential or nonresidential, which:

(1) Is boarded up by voluntary action of the owner or as the result of enforcement activities by the city; or

(2) Is vacant for more than ninety (90) days for any reason.

(d) Fee Waiver. The vacant building monitoring fee shall be waived upon a showing by the owner that:

(1) The owner has obtained a building permit and is progressing diligently to

repair the premises for occupancy; or

(2) The building meets all applicable codes and is actively being offered for sale, lease, or rent; or

(3) Imposition of the fee would impose a substantial economic hardship on the owner or would hinder the rehabilitation of the building.

(e) Procedure. The vacant building monitoring fee shall be billed to the owner of the property and mailed to the owner's address as set forth on the last equalized assessment roll of the Los Angeles County assessor. Any owner billed may apply for a waiver on the grounds set forth in subsection d of this section by submitting a written statement of the grounds for the waiver, and the owner's daytime telephone number, to the chief building official within thirty (30) days after the billing is mailed to the owner. The owner shall provide substantial evidence in support of the owner's statement of the grounds for the waiver. The chief building official shall review the written statement and all related evidence and may contact the owner to discuss the application for waiver. The chief building official shall prepare a written decision which shall be mailed to the owner and shall set forth the reasons for the decision.

(f) Any owner aggrieved by the decision of the chief building official relating to an application for waiver may appeal the chief building official's decision to the city manager by filing with the city clerk a written notice of appeal within ten (10) days of the decision. The city manager shall set a time and place for a hearing of such appeal, and notice of such hearing shall be mailed, postage prepaid, to the owner at his or her last known address at least ten (10) days prior to the date set for the hearing. The decision and order of the city manager on such appeal shall be final and conclusive.

(g) If the fee is not paid within sixty (60) days after billing, or within sixty (60) days after the decision of the chief building official or the city manager, the city manager may thereupon order that the fee be specially assessed against the property involved. If the city manager orders that the fee be specially assessed against the property, it shall confirm the assessment and thereafter said assessment may be collected at the same time and in the same manner as ordinary real property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary real property taxes. All laws applicable to the levy, collection, and enforcement of real property taxes are applicable to the special assessment.

(h) The city manager may also cause a notice of lien to be recorded. The notice shall, at a minimum, identify the record owner or possessor of the property, set forth the last known address of the record owner or possessor, a description of the real property subject to the lien, and the amount of the fee.

Sec. 14-564 – Local Property Management Requirement.

(a) If a property is determined to be vacant, and the property is owned by a corporation and/or out of area beneficiary, trustee, or owner, a local property management company shall be contracted to perform weekly inspections to verify that the requirements of this

section, and any other applicable laws, are being met.

(b) The property shall be posted with the name and twenty-four (24) hour contact phone number of the local property management company. The posting shall be no less than eighteen (18) inches by twenty-four (24) inches, shall be of a font that is legible from a distance of forty-five (45) feet, and shall contain the following verbiage:

“THIS PROPERTY MANAGED BY _____,” and “TO REPORT PROBLEMS OR CONCERNS CALL (name and phone number).”

(c) The posting shall be placed on the interior of a window facing the street to the front of the property so it is visible from the street, or secured to the exterior of the building/structure facing the street of the front of the property so it is visible from the street. If no such area exists, the posting shall be on a stake of sufficient size to support the posting, in a location that is visible from the street to the front of the property, and to the extent possible, not readily accessible to potential vandalism. Exterior posting must be constructed of, and printed with weather resistant materials.

(d) The local property management company shall inspect the property on a weekly basis to determine if the property is in compliance with the requirements of this article. If the property management company determines the property is not in compliance, it is the company’s responsibility to bring the property into compliance.

(e) The duties/obligations specified in this Section shall be joint and several among and between all trustees and beneficiaries and their respective agents.

Sec. 14-565 – Enforcement.

(a) Any violation of this article shall constitute a public nuisance.

(b) Any person, partnership, association, corporation, fiduciary or other legal entity, that owns, leases, occupies, controls or manages any property subject to this article and that causes, permits, or maintains a violation of this article, shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished as provided in section 1.10 of this code. Violations shall be treated as a strict liability offense, a violation shall be deemed to have occurred regardless of a violator's intent.

(c) If an enforcement official determines a violation of this article exists, the enforcement official may issue an administrative citation for each day a violation exists, containing fines up to \$1,000.00 per day, per violation, as provided in Article 1.24 through 1-35 of this code.

(d) This section is intended to be cumulative to, and not in place of, other rights and remedies available to the city pursuant to the City of Azusa Municipal Code, including any civil, criminal and/or administrative action.

(e) Any and all costs, including attorney's fees, incurred by the City in enforcing this

article shall be recoverable, and shall constitute a lien and special assessment against the subject property, pursuant to the definitions and procedures in sections 14-421, 14-422, 14-423, 14-424, 14-425 and as otherwise provided by this code.

Sec. 14-566 – Joint and Several Liability.

The duties/obligations specified in this article shall be joint and several among and between all trustees and beneficiaries and their respective agents. In addition, local property management companies retained pursuant to section 14-452 shall also be jointly and severally liable for compliance with sections 14-450 and 14-451.”

SECTION 3. Based on the entire record before the City Council, and all written and oral evidence presented to the City Council, the City Council hereby finds that this ordinance is exempt from review under the California Environmental Quality Act (“CEQA”), pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Article 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 4. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof. By enacting this Ordinance, the City ordains that nothing herein shall be deemed to conflict with or duplicate federal or state law, or otherwise or to license any activity that is prohibited thereunder except as mandated by such laws.

SECTION 5. The City Clerk shall certify the passage of this Ordinance and shall cause the same to be entered in the book of original ordinances of said City; shall make a minute passage and adoption thereof in the records of the meeting at which time the same is passed and adopted; and shall, within fifteen (15) days after the passage and adoption thereof, cause the same to be published as required by law, in a local newspaper of general circulation and which is hereby designated for that purpose.

SECTION 6. This Ordinance shall become effective thirty (30) days from and after its adoption.

PASSED, APPROVED and ADOPTED the 19th day of September, 2016.

/s/Joseph Romero Rocha
Mayor

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF AZUSA)

ATTEST:

I HEREBY CERTIFY that the foregoing Ordinance No. 2016-07, was duly introduced and placed for its first reading at a special meeting of the City Council on the 15th day of August, 2016, and that thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the 19th day of September, 2016 by the following vote of the Council:

AYES: COUNCILMEMBERS: CARRILLO, GONZALES, MACIAS, ALVAREZ, ROCHA
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE

/s/Jeffrey Lawrence Cornejo, Jr.,
City Clerk

APPROVED AS TO FORM:

/s/Marco Martinez, Best Best & Krieger, LLP
City Attorney